

Select Committee of the House of Commons in 1826 recommended fixing a limit of time in. the future beyond which the circulation of notes below £5 should cease, but the testimony given before the committee was against such a restriction and it was not adopted. The arguments made against the restriction were that it would check the growth of manufactures, make difficult the sale of small lots of agricultural produce, and curtail the accommodation which the banks are able to give their customers and especially their cash credits. The transfer of gold, it was pointed out, would be inconvenient and costly, and once sent out of the country it would rarely come back. The Act of 1845 prohibited notes of fractions of £1 and required the banks in their reports to state separately the notes in circulation under £5. These returns have shown a large proportion of small notes in circulation and a marked increase from September to January-over the spring and summer months. This circulation of small notes has contributed, with the widely diffused system of branches, and the existence of several strong joint stock banks without the power of issue, to afford reasonably adequate facilities for the development of banking in Ireland. The number of banking offices in Ireland increased from 333, in 1872 to 571 in 1895 and 785 in 1908.